



BILL DRAFT 2007-RBxz-34B: Motor Fuel Tax Law Changes

BILL ANALYSIS

Committee:	Revenue Laws Study Committee	Date:	April 30, 2008
Introduced by:		Summary by:	Cindy Avrette
Version:	Bill Draft		Committee Staff

SUMMARY: *This bill draft would make technical, clarifying, conforming, administrative, and substantive changes to the motor fuel tax laws. The bill would become effective January 1, 2009.*

BILL ANALYSIS: The bill draft makes the following changes to the motor fuel tax laws:

Section	Explanation
1	Makes clarifying and conforming changes and numbers the definitions sequentially. Adds the definition of words commonly used, such as 'International Fuel Tax Agreement' and 'qualified motor vehicle'. Under IFTA, a 'qualified motor vehicle' is one used, designed, or maintained for transportation of persons or property that meets one or more of the following conditions: has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds; has three or more axles regardless of weight; or has a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds when it is combined with another vehicle.
2	Corrects a punctuation error.
3	Changes the statute to reflect current practice. Provides that the Department may include information received from the State Highway Patrol when determining the potential liability of a motor carrier. The SHP used to be located within the DMV. Incorporates the definition of defined terms.
4	Incorporates the definition of defined terms. Clarifies that recreational vehicles that are qualified motor vehicles under the IFTA would need to be registered. Also, the use of the defined term 'qualified motor vehicle' means that special mobile equipment would need to be registered. Although the current law's definition of 'motor vehicle' arguably includes special mobile equipment, the Department has not been requiring the registration of special mobile equipment. However, other IFTA states do require the registration of special mobile equipment.
5	Incorporates the commonly used term 'decals' for 'identification markers'.
6	Repeals an unnecessary statute. G.S. 105-252 and G.S. 105-254 give the Secretary the authority to prepare the appropriate forms and require the necessary information on those forms.
7	Incorporates the commonly used term 'decals' for 'identification markers'. Modernizes the language.
8	Incorporates the commonly used term 'decals' for 'identification markers'.
9	Revises the definitional statute to add definitions of commonly used terms, to incorporate definitions from other statutes, and to refer to federal regulations. It numbers the definitions sequentially.

Section	Explanation
10	Clarifying change; it identifies all license types that transport motor fuel. It also restricts a supplier from transferring fuel to a marine vessel unless the receiver of the fuel is licensed as a supplier. There is currently little control over who can bring a ship or barge to the North Carolina coastline and load fuel.
11	Conforming and grammatical change. It removes definitions that have been incorporated into the definitional statute and it corrects the spelling of the term 'bulk end-user'.
12	Corrects the spelling of the term 'bulk end-user'.
13	Conforming change. It incorporates the defined term 'supplier'.
14	Conforming change. It incorporates the defined term 'in-State supplier'.
15	Conforming change. Provides that an importer's license must indicate the category of the importer, just like a supplier's license must indicate the category of the supplier.
16	Clarifying change. It identifies the payment responsibilities of all license holders.
17	It identifies the point of taxation for fuel that is not taxed by the Code by adding a new subdivision (6). It provides that fuel grade ethanol would be taxed at the rack.
18	Provides that the supplier who sold motor fuel to an unlicensed exporter is jointly and severally liable for the tax imposed on that fuel. The statute provides similar joint and several liability for motor fuel sold to an unlicensed distributor; for motor fuel sold by an unlicensed supplier; and for dyed diesel fuel.
19	Conforming change. (See section 17)
20	Corrects a grammatical error.
21	Corrects the spelling of the term 'bulk end-user'.
22	Corrects the spelling of the term 'bulk end-user' and 'end-seller'.
23	Corrects the spelling of the term 'bulk end-user'.
24	It identifies the tax responsibility of purchasers to the supplier.
25	It removes the requirement to sort the fuel by type on the reporting form; the requirement is not longer necessary due to electronic filing – it provides the Department with the ability to sort.
26	Corrects the spelling of the term 'bulk end-user'.
27	Conforming change to administrative practice. It provides that terminal operators who are required to be licensed in this State must report transactions from out-of-state terminals with this State as its destination. It also changes the structure of the statute for uniformity purposes.
28	Conforming change. It changes the structure of the statute for uniformity purposes.
29	Clarifying change. It changes the catchline of the statute to more accurately reflect the contents of the statute. It specifies that the refunds are monthly refunds; this change reflects current practice. It also provides that an out-of-state bulk end-user must be registered as an exporter if requesting a refund for exports from a North Carolina bulk plant.
30	Specifies that the refund is a monthly refund; this change reflects current practice.
31	Corrects the spelling of the term 'end-user'.
32	Deletes the provisions for refunds filed upon application because all refunds are filed on an annual basis, a quarterly basis, or a monthly basis.
33	Conforming change to administrative practice and terminology.
34	Uses the defined term 'person'; that term incorporates a distributor.
35	Corrects the spelling of the term 'bulk end-user'. Cross-references the definition of highway to the defined term in the definitional statute.

Section	Explanation
36-40	Corrects the spelling of the term 'bulk end-user'.
41	Conforming change. It cross references the defined terms in the definitional statute and renumbers the subdivisions sequentially.
42	Provides that the inspection tax is imposed on the fuel listed in the Article. This change reflects administrative practice.
43	Effective date section.